



WISCONSIN

DEPARTMENT OF WORKFORCE DEVELOPMENT
Division of Economic Support
Bureau of Work Support Programs

TO: **Economic Support Supervisors
Economic Support Lead Workers
Training Staff
Child Care Coordinators
W-2 Agencies**

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Non W-2 ☒ W-2 ☐ CC ☐

PRIORITY: High

SUBJECT: **MEDICAL ASSISTANCE TREATMENT OF VETERANS
ADMINISTRATION PAYMENTS FOR:**
1. AID & ATTENDANCE
2. UNUSUAL MEDICAL EXPENSES
**3. \$90.00 PENSION FOR INSTITUTIONALIZED VETERANS OR THEIR
SURVIVING SPOUSE**

CROSS REFERENCE: MA Handbook, Appendixes 15.2.0 and 10.6.2

EFFECTIVE DATE: Immediately

PURPOSE

This memo clarifies that some Veterans Administration (VA) payments are totally exempt when determining Medicaid (MA) eligibility. They are also ignored in most situations for the patient liability and cost share calculations (post-eligibility treatment of income) for institutionalized and community waiver cases.

BACKGROUND

The VA pays an allowance to veterans, spouses of disabled veterans, and surviving spouses who are in regular need of the aid and attendance of another person or who are housebound. The individual who receives the payment typically needs someone to assist him/her with health care needs or other activities of daily living. Some institutionalized veterans or their surviving spouses will receive a \$90.00 reduced pension benefit for any month after the month in which they enter a nursing facility. This \$90.00 reduced pension is also considered to be an aid and attendance allowance.

Similarly, a veteran, surviving spouse or dependent might receive an increased VA payment or an extra payment due to their unusual medical expenses.

VA payments resulting from unusual medical expenses or for aid and attendance are not counted as income by the Social Security Administration (SSA) for Supplemental Security Income (SSI) eligibility determinations. Consequently, these payments must also be disregarded for MA eligibility determinations.

INCOME

Disregard totally VA allowances for unusual medical expenses and aid and attendance for all institutionalized and non-institutionalized MA eligibility determinations.

Example: Bob is a disabled veteran, living in his own home and receiving a \$750.00 monthly VA payment, of which \$250.00 represents an allowance for “aid and attendance”. Bob’s countable income for MA eligibility purposes is \$500.00. The \$250.00 allowance is totally disregarded.

For institutionalized and community waiver cases, these allowances are disregarded in the eligibility and “post-eligibility” determinations with 1 exception. That exception pertains to veterans who reside in the State Veterans Home at King. Residents of the State Veteran’s Home who receive these allowances *in excess of the \$90.00 limited VA pension* will have them disregarded in the eligibility test but counted in the post-eligibility test. This exception applies only to veterans who have no spouse or child and to a childless surviving spouse of a veteran.

Example: John is a veteran who resides at the State Veteran’s Home. His total monthly income consists of a \$90.00 VA pension and a \$50.00 annuity payment. The \$90.00 VA pension is totally disregarded and the \$40.00 personal needs allowance for institutionalized individuals is deducted from the \$50.00 annuity payment. John’s remaining budgetable income for MA eligibility purposes is \$10.00 and that \$10.00 will also be applied to his cost of care.

Example: Scott is a veteran residing at the Veteran’s Home in King. His total monthly income consists of a \$590.00 VA pension (\$200.00 of which was for unusual medical expenses) and a \$50.00 annuity payment. \$200.00 of the VA pension is totally disregarded in the MA eligibility test. The \$50.00 annuity payment and the remaining \$390.00 of the VA payment is non-exempt income. The \$40.00 personal needs allowance is deducted from the non-exempt income, so \$400.00 is the remaining budgetable income that will be used for the eligibility test. However, for the post eligibility test, only \$90.00 of the VA pension can be disregarded. The patient liability calculation includes the \$40.00 personal needs allowance; therefore, Scott will have to contribute \$510.00 to his cost of care.

PERSONAL NEEDS ALLOWANCE

The \$40.00 Medicaid personal needs allowance for institutionalized individuals applies to veterans and non-veterans in both the eligibility and post-eligibility tests. The references to a \$90.00 personal needs allowance for certain veterans as described in MA Handbook Appendix 10.6.2 and question #26 of the Institutions Unit are incorrect. Institutionalized veterans are allowed a disregard of certain VA pension benefits (aid and attendance/unusual medical

expense) but this is unrelated to the amount of their personal needs allowance. The personal needs allowance continues to be \$40.00 for all institutionalized persons.

MEDICAID HANDBOOK REVISIONS

In your MA Handbook:

1. Change question 26, item b. of the Institutions Unit so that it only describes a \$40.00 personal needs allowance. Delete the reference to the \$90.00 veterans allowance.
2. Delete all of Appendix 10.6.2 and 10.6.2.1.
3. Create Appendix 15.2.27, "Veterans Administration (VA) Allowances for Unusual Medical Expenses and Aid and Attendance".

15.2.27 "Veterans Administration (VA) Allowances for Unusual Medical Expenses and Aid and Attendance"

Disregard VA allowances for Unusual Medical Expenses that are received by a veteran, their surviving spouse or dependent, and allowances for Aid and Attendance that are received by veterans, spouses of disabled veterans and surviving spouses.